

## **FY 99 DCMC BUSINESS PLAN**

### **PART D - FY 99 BUDGET FORMULATION GUIDANCE**

FY 99/00 Target annual Operating Budget (AOB) Methodology: In light of continuing budget reductions, we are faced with competing with other DoD agencies for scarce dollars, and defending against repeated funding reduction proposals. By employing standard funding and allocation methodologies, formulas, and reports, these proposals are much easier to defend. Draft allocations have been prepared to assist you in evaluating the Business Plan against your workload and funding levels.

The allocation of FTEs is a zero sum game. For planning purposes you should assume that the majority of tasks contained in the Performance Plan are covered within your initial target funding level. Due to funding constraints, the reserve retained for unfunded requirements is minimal. However, we recognize that some unplanned workload changes may require adjustments to either your FTE or target annual operating budget authority. Where this is necessary, the Business Case process and format shall be followed. The data requested by the format is necessary to evaluate resources prior to reprogramming from one District to another and/or from one CAO to another. Districts should forward proposed FTE realignments that cannot be accommodated within the RUC Ground Rules to DCMC-B. Other requests for increases that cannot be funded within the interim authority contained in the Business Plan, should be summarized (by object class) at District level. FTE and nonlabor totals identified as funded must match bottom line targets provided. Funding requirements should be prioritized so that higher level priorities and fixed requirements should be included as funded dollars.

The following methodology was employed to arrive at your proposed interim allocations:

- District/CAO FTE Targets: Targets were determined based upon planned mission requirements, workload, and the availability of funding. Formal notification of proposed realignments should be made to DCMC-B, ATTN: RUC. District summary and CAO FTE targets have been provided under separate cover.
- Labor: Estimated the FY 98 actual AAR from the February 1998 Monthly Obligation Plan (MOP), inflated by the pay raise factor (3.0%), then multiplied the inflated AAR by the FTE target assigned by the RUC for FY 99.
- VSIP: Minimal (54) at activities overburning by more than 9%.
- Nonlabor: Obtained the FY 98 nonlabor base, which matches the last annual operating budget, adjusted for training dollars, then applied 1.6% inflation for FY 99. The following reductions were applied:

Travel:	Other -38%, DCMC directed -45%
Other Services:	ADP -10%, Other -10%
Supplies:	ADP -10%, Other -25%
PCS:	-100 % with the exception of DCMDI

This document contains the formats and descriptions of your budgeting documents as follows:

1. Resource Utilization Council (RUC) Ground Rules (Attachment 1): A description of the resourcing policy and procedures.
2. FY 99 Interim Budget Targets and CAO FTE Targets (Attachment 2): The District level funding and FTE allocation for planning and budget formulation purposes.
3. Object Class Summary Worksheet (Attachment 3): The primary goal in preparing the object class summary worksheet is to obtain a projected execution plan prior to the budget negotiations to ensure that all requirements are considered. For consistency, the format provided has been adapted from the standard document evaluated at monthly Business Process Team (BPT) meetings. As with the FTE execution plans, the basic assumption is that your interim allocation should fully cover your funding requirements. Since it is unlikely that additional funds will be made available, unfunded requirements must be fully supported by a Business Case at District level, including performance measures where available.
4. Reimbursable Estimate and Worksheet (Attachment 4).
5. Performance Contract (Attachment 5): The performance contract is defined as “a negotiated agreement between DCMC and a District or District and CAO, to deliver a set of specified outcomes, as measured by performance indicators, at a specified cost.” The basic assumption is that the majority of tasks are covered within your initial target funding level. Unfunded FTEs will require a Business Case, including performance measures. All process/PLAS hours should be captured on the worksheets along with baseline and proposed performance targets, for review during your budget negotiation.
6. Full-time Equivalent (FTE) Projection/Execution Plan (Attachment 6): The attached FTE format has been revised to adopt a standard projection formula. The formula now includes factors to capture part time employees and those on leave without pay (LWOP). The revision will help ensure that funding decisions made by the RUC are based upon common projections.
7. Training Requirements (Attachment 7): Your interim training allocation has been provided along with the format for submission of your training requirements. Request that you review the allocation and consolidate your requirements by course title, number of students, and the mission essential and position required categories contained in the format provided. Your requirements should be prioritized and your total requirement should match the interim allocation received. Requirements exceeding the interim allocation must be supported by a Business Case. The definitions follow:

✓ **MISSION ESSENTIAL TRAINING:** Training that if not given will result in mission failure. Understand that “mission essential” means exactly that failure to accomplish the training could lead to failure to complete a vital mission responsibility.

- For a CAO, this means that the person has to receive the training or the CAO cannot perform an absolutely essential responsibility, i.e., there is no possible workaround. For example, a contract is received for a commodity for which none of the CAO’s QARs is certified. One of the QARs has to be trained in the commodity because there is no other way for the CAO to accept product.
- For the HQ or District this means the least amount of training for the least number of people absolutely needed to be trained to accomplish a new mission responsibility. For example, deployment of new automated systems requires training or the system cannot be used.

*Please note this is not all training required by a person’s career ladder or position.*

✓ **DEVELOPMENT INVESTMENTS** (definition provided for information only; will be centralized in DCMC-BG.): Investments in developmental programs (e.g., intern, mid-level, executive, PEP) for future skills, managers, etc. Investment will be limited to not more than 15% of the training budget Command-wide. HQ may downscope or suspend certain programs based on availability of funding.

✓ **POSITION REQUIRED:** Training required for employees by virtue of the position they occupy, e.g., DAWIA courses.

✓ **OTHER IDP REQUIREMENTS:** Any other professional or personal development training, e.g., soft skills.

8. Information Technology (IT)/Information Resources Management (IRM): Funding for all automation maintenance and other applications is included in the Integrated IT Plan. Obligations must be approved in advance by the Funds Control Official within DCMC-AC. Information regarding sub-allocation of funds will be provided to you by DCMC-AC under separate cover.

9. Business Case Instructions and Format (Attachments 8a and 8b): Districts should forward proposed CAO FTE realignments and complete CAO Business Case for adjustments that cannot be accommodated within the RUC Ground Rules. Complete CAO Business Cases are also required for any District summary FTE requirements. Other requests for increases that cannot be funded within the interim authority contained in the Business Plan, should also be summarized (by object class) at District level. All categories should be addressed to ensure that the RUC has a firm basis for their decision.